

EXHIBIT C

Microsoft Licenses Immersion's Haptic Patent Portfolio

Agreements Settle Legal Differences

Provide Microsoft Broad Licensing Rights to Sense of Touch Patents on Multiple Platforms

SAN JOSE, Calif., Jul 28, 2003 (BUSINESS WIRE) -- Immersion Corp. (NASDAQ:IMMR) today announced a series of agreements with Microsoft Corporation (NASDAQ:MSFT), that grant Microsoft licensing rights for Immersion's patent portfolio, which is primarily directed to haptic technologies (the sense of touch). The agreements consist of a \$26 million payment from Microsoft for licensing rights and an equity investment, as well as a \$9 million convertible debenture from Immersion with 48 months draw down rights.

In addition to the licensing rights and equity, the agreements resolve ongoing litigation between the two companies based on Immersion's lawsuit against Microsoft filed in February 2002. Immersion's lawsuit against Sony Computer Entertainment of America, Inc. and Sony Computer Entertainment Inc. on similar grounds of patent infringement, is still pending.

Under the license, Microsoft may use Immersion's patented haptic technologies in its operating systems, hand held devices, computing platforms and other current and future products and services.

"As human interaction with digital technologies becomes more complex, the sense of touch becomes an even more important element in a broad range of products," said Barry Spector, Director of Business Development for Microsoft. "Microsoft recognizes the importance of haptic technology to consumers, the value of Immersion's patent portfolio in this space, as well as Immersion's role as a leading supplier of haptics."

"Immersion is delighted with today's agreements. Microsoft is the world's leader in software, services and Internet technologies. They are an ideal partner to help demonstrate the value and benefits of haptic technologies to consumer markets such as personal computers, games, and handheld devices," said Victor Viegas, President and CEO of Immersion.

About Immersion (www.immersion.com)